

Joint Standing Committee on Banking and Insurance

LD 600

An Act to Implement the Recommendations of the Joint Select Committee on School-based Health Care Services

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 600 was carried over from the First Regular Session and would implement the recommendations of the Joint Select Committee on School-based Health Care Services. The bill proposed to do the following.

1. It requires the Department of Human Services to provide the state match for federal revenues under the Medicaid program for services provided in school-based health centers.
2. It requires the Department of Human Services to adopt rules allowing school-based health centers to become eligible for reimbursement for case management services to Medicaid-eligible children.
3. It requires health carriers to provide coverage for services provided in school-based health centers if the services would be covered under the policy in another setting. The bill also requires coverage for services under managed care plans without requiring prior approval from a primary care provider but requires school-based health centers to notify the primary care provider within 3 business days after the services are provided.
4. It requires the Department of Human Services, Bureau of Health, Division of Community and Family Health to convene an advisory group to develop standards and guidelines for school-based health centers and a certification process for school-based health centers.

As a result of an agreement between the bill's proponents and the State's health carriers, a pilot program to provide insurance coverage for services provided in school-based health centers will begin in 2003. LD 600 was voted "Ought Not to Pass" by the committee because of the establishment of this pilot project. An independent evaluation of the pilot project will be completed and the results will be reported to the Legislature after the first year of the pilot.

LD 782

An Act to Define Undisputed Claims for Covered Health Insurance Benefits

PUBLIC 569

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
KILKELLY HONEY	OTP-AM	S-463

LD 782 proposed to define the term "undisputed claims" relative to health maintenance organizations; require the Superintendent of Insurance to collect data sufficient to enforce timely payment of undisputed claims; and establish financial penalties for late payment of undisputed claims.

Committee Amendment "A" (S-463) added a new title and replaced the bill. It proposed to enact a definition of "undisputed claim" and clarify that the definition applied only to claims made for covered benefits under health insurance policies. This amendment also added a fiscal note to the bill.

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Enacted law summary

Under current law, health insurers and health maintenance organizations must pay undisputed claims for covered benefits within 30 days. Public Law 2001, chapter 569 defines the term "undisputed claim" as a claim for payment of covered health care expenses that is submitted on the insurer's standard claim form using the most current published procedural codes with all the required fields completed with correct and complete information. The law also clarifies that the definition applies only to claims made for covered benefits under health insurance policies.

LD 915

An Act to Amend the Maine Insurance Guaranty Association Act

PUBLIC 478

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
ABROMSOM MAYO	OTP-AM	

LD 915 was originally referred to the Joint Standing Committee on Banking and Insurance, but was recommitted to the Joint Standing Committee on Appropriations and Financial Affairs and carried over from the First Regular Session. LD 915 proposed to make the following changes to the Maine Insurance Guaranty Association Act.

1. It exempts additional types of insurance from being subject to the Act.
2. It excludes first-party claims by an insured whose net worth exceeds \$10,000,000.
3. It amends the definition of "insolvent insurer" to clarify that it applies to that group of insurers defined as "member insurers", and amends the definition to mean a member insurer against whom a final order of liquidation has been entered.
4. It enacts a definition of "person" to mean any individual or legal entity, including a governmental entity.
5. It sets a cap of \$10,000 on a claim for the return of unearned premium.
6. It provides that claims resulting from an insolvency must be filed no later than 18 months after the insolvency.
7. It provides that the Maine Insurance Guaranty Association may intervene as a party in a case involving an insolvent insurer.
8. It provides a premium tax offset for an insurer that pays an assessment pursuant to the Act.

Committee Amendment "B" (S-402) proposed to make the following changes to the bill.

1. It excludes from the definition of "covered claims" any first-party claims of an insured whose net worth exceeds \$25,000,000.

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2. It changes the cap on unearned premium to \$25,000.
3. It establishes a bar date for filing covered claims of the earlier of 24 months after the order of liquidation by a court or the final date set by a court and allows the Maine Insurance Guaranty Association to accept a late filed claim as a covered claim for good cause.
4. It requires that notification of an insolvency to insureds and other interested parties by the Maine Insurance Guaranty Association include prominent notice of the date by which a claim must be filed with the association.
5. It eliminates the premium tax offset provision.
6. It clarifies the applicability provision.

Enacted law summary

Public Law 2001, chapter 478 amends the Maine Insurance Guaranty Association Act. In the event of an insolvency of a property and casualty insurer licensed to transact insurance business in the State, the Maine Insurance Guaranty Association pays valid claims of policyholders and certain other claimants and refunds unearned premium as provided by law.

Public Law 2001, chapter 478 exempts certain types of insurance from being subject to the Act, including life, health, disability or annuity insurance; insurance of warranties and service contracts; insurance protecting the interest of a creditor arising out of a creditor-debtor transaction; insurance offering protection against investment risks; and insurance provided or guaranteed by a governmental entity.

Public Law 2001, chapter 478 amends the definition of an insolvent insurer to clarify that it means a member insurer against whom a final order of liquidation has been entered. It excludes from the definition of “covered claims” any first-party claims of an insured whose net worth exceeds \$25,000,000. The law raises the cap on unearned premium that may be refunded to policyholders to \$25,000.

Public Law 2001, chapter 478 provides that the association may intervene as a party in a case involving an insolvent insurer. The law establishes a bar date for filing covered claims as the earlier of 24 months after the order of liquidation or the final date set by a court and allows the association to accept late-filed claims as covered claims for good cause. The law also requires that notification of an insolvency to insureds and other interested parties by the association include prominent notice of the date by which a claim must be filed with the association.

Public Law 2001, chapter 478 applies to the obligations of the Maine Insurance Guaranty Association as those obligations exist on the law's effective date, July 25, 2002, except that the first-party exclusion contained in Title 24-A, Maine Revised Statutes, section 4435, subsection 4; the unearned premium cap and the bar date contained in Title 24-A, Maine Revised Statutes, section 4438, subsection 1; and the right of intervention contained in Title 24-A, Maine Revised Statutes, section 4438, subsection 2, paragraph C apply only to new insolvencies occurring on or after July 25, 2002.

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LD 1554

An Act to Allow Health Insurance Premiums to be Eligible for Medical Savings Accounts

ONTP

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
GLYNN	ONTP MAJ OTP-AM MIN	

LD 1554 was carried over from the First Regular Session. The bill proposed to allow residents of the State to establish medical savings accounts for payment of eligible medical expenses, including the payment of health insurance premiums, coinsurance, copayments and deductibles. Contributions to, interest earned on and qualified withdrawals from medical savings accounts would have been exempt from Maine state income tax.

Committee Amendment "A" (H-1048) was the minority report of the committee and replaced the bill. It would provide enabling legislation for health insurance carriers to offer medical savings accounts in conjunction with health insurance for policyholders in the individual health insurance market. Medical savings accounts must conform to the requirements for the accounts under federal law. Individuals with medical savings accounts are eligible for a federal tax deduction for contributions to the accounts and are not taxed for withdrawals to pay qualified medical expenses. The amendment did not propose to create any state income tax deduction or exemption for contributions or qualified withdrawals from medical savings accounts. The amendment also would require the Department of Professional and Financial Regulation, Bureau of Insurance to provide technical assistance to those companies that offer medical savings accounts in conjunction with individual health insurance policies within the bureau's existing resources. The legislation would be repealed upon the repeal of federal legislation authorizing medical savings accounts. The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

House Amendment "A" to Committee Amendment "A" (H-1058) proposed to make contributions to, interest earned on and qualified withdrawals from individual medical savings accounts exempt from Maine state income tax. The provision would be repealed upon the repeal of federal legislation authorizing individual medical savings accounts. House Amendment "A" to Committee Amendment "A" was not adopted.

LD 1627

An Act to Ensure Equality in Mental Health Coverage

**VETO
SUSTAINED**

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
DUDLEY	OTP-AM MAJ	H-1052
DOUGLASS	OTP-AM MIN	H-1077 DUDLEY

LD 1627 was carried over from the First Regular Session. The bill proposed to establish parity coverage for mental illness and substance abuse under the same terms and conditions as coverage for physical illness in all health insurance policies and health benefit plans. LD 1627 would expand the coverage of illness to include children's disorders and adult disorders as defined in the Diagnostic and Statistical Manual of Mental Disorders, as periodically revised, and would make current statutory definitions consistent. The bill also would include licensed clinical professional counselors in the definition of providers eligible to diagnose and treat mental illness.

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Committee Amendment "B" (H-1052) is the minority report of the committee and replaced the bill. The amendment proposed to expand the coverage of illness to include 11 categories of mental illness as defined in the Diagnostic and Statistical Manual of Mental Disorders, as periodically revised, and allow that coverage to be delivered as a carve out under a managed care system. The amendment would require parity coverage for those mental illnesses and apply the provision to all health benefit plans covering groups of 21 or more. The amendment made no change to the current law that requires carriers to offer "parity" coverage for individual health plans and group health plans covering fewer than 20 persons.

Like the majority report, the amendment would include licensed clinical professional counselors in the definition of providers eligible to treat mental illness and receive reimbursement for those services. The amendment also would require coverage for residential treatment services and home support services. The provisions apply to all policies and contracts issued or renewed on or after the effective date of the bill. The amendment also added a fiscal note.

House Amendment "A" to Committee Amendment "B" (H-1077) proposed to appropriate the savings realized in the bill as amended by Committee Amendment "B" to the Maine Rainy Day Fund.

Committee Amendment "A" (H-1051) is the majority report of the committee. It changed the bill title and replaced the bill. The amendment proposed to include licensed clinical professional counselors in the definition of providers eligible to treat mental illness. The amendment also would require that health insurance policies that cover mental illness include coverage for residential treatment up to 30 days per contract year. The amendment made no change to the existing law mandating "parity" for certain biologically-based mental illnesses. The amendment provided that the bill's provisions apply to policies, contracts and certificates issued or renewed on or after January 1, 2003. The amendment also added a fiscal note to the bill. Committee Amendment "A" was not adopted.

LD 1627 was enacted in the House and Senate, but vetoed by the Governor.

LD 1768	An Act to Create a Comprehensive Prescription Insurance Plan for Maine Seniors through the Implementation of the Recommendations of the Heinz Family Philanthropies Report	ONTP
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<u>Sponsor(s)</u> BENNETT	<u>Committee Report</u> ONTP	<u>Amendments Adopted</u>
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LD 1768 was carried over from the First Regular Session and jointly referred to the Joint Standing Committees on Banking and Insurance and Health and Human Services. LD 1768 was a concept draft pursuant to Joint Rule 208. This bill proposed to create a comprehensive prescription insurance plan for senior citizens of the State in accordance with the recommendations of the Heinz Family Philanthropies study regarding prescription drugs.

The plan would have included the following requirements:

1. All Maine citizens 62 years of age and older would be eligible;

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2. The plan would be means tested. Premiums, copayments, deductibles and a catastrophic cap would all be tied to income levels and the consumer price index. Persons with the lowest income levels would also have the lowest catastrophic cap;
3. In determining the premiums, deductibles and catastrophic caps for married couples based on household income, a reduction would be given so that those couples are not penalized or disadvantaged;
4. A formulary based on incentives would be established with generic, preferred and nonpreferred drugs;
5. If a generic drug is available, a brand-name drug would be available only by paying the difference in cost between the generic and brand-name medication;
6. "Lifestyle" drugs would be excluded from the plan; and
7. The plan would sunset after 4 full fiscal years.

LD 1784

An Act to Address the Health Coverage Crisis for Maine's Small Businesses and Self-employed Persons

PUBLIC 677

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
SAXL LAFOUNTAIN	OTP-AM	H-970

LD 1784 was carried over from the First Regular Session and was a concept draft pursuant to Joint Rule 208. The bill proposed to establish a reinsurance mechanism for the small group health insurance market.

Committee Amendment "A" (H-970) replaced the bill and changed the bill title. It proposed to establish the Maine Small Business Health Coverage Plan to provide health care coverage to small employers, including self-employed individuals, and their employees and dependents. The plan would operate under the supervision of a board of directors and in coordination with the Department of Human Services. The amendment would require the board to submit a business plan to implement the health coverage program and any necessary federal waivers to the Legislature for affirmative approval before the program begins operation. The amendment proposed to repeal the program in 6 years unless the program was continued by the Legislature. The amendment also added an appropriations section, an allocations section and a fiscal note to the bill.

Enacted law summary

Public Law 2001, chapter 677 establishes the Maine Small Business Health Coverage Plan to provide health care coverage to small employers, including self-employed individuals, and their employees and dependents. Small employers are defined as those employers with 50 or fewer employees. The Maine Small Business Health Coverage Plan operates under the supervision of an 11-member board of directors and in coordination with the Department of Human Services. Public Law 2001, chapter 677 requires the board to submit a business plan and actuarial analysis to implement the health coverage program and any necessary federal waivers to the Legislature for affirmative approval before the program begins operation.

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Public Law 2001, chapter 677 requires the board to contract with a health insurer, health maintenance organization or the Department of Human Services to provide coverage under the plan through a comprehensive managed care plan, indemnity plan or both. The law requires the board to solicit bids from qualified bidders through a request for proposal process and to award the contract by October 1, 2003. In the event that the Department of Human Services is awarded the bid, the board must notify the Legislature. Coverage under the Maine Small Business Health Coverage Plan must be available beginning January 1, 2004.

Public Law 2001, chapter 677 requires that the plan seek to maximize federal matching funds under the Medicaid program to subsidize coverage for under the plan. The maximum contribution for employees covered under the plan who are categorically-eligible for Medicaid is limited to the cost-sharing requirements of the Medicaid program. The law also requires the Department of Human Services to apply for any federal waivers necessary to implement the plan.

LD 1804

An Act to Improve the Accessibility and Affordability of Health Care Benefits in the State

PUBLIC 570

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
MILLS	OTP-AM	S-464

LD 1804 was carried over from the First Regular Session and proposed to:

1. Amend and relax the criteria for self-funded multiple employer welfare arrangements by and among certain businesses;
2. Establish a mechanism by which certain small businesses in the same geographic region can form an association for the purpose of providing self-funded health benefit plans to employees and their dependents; and
3. Ensure that employees participating in such self-funded arrangements are protected by imposing certain safeguards, including oversight by the Superintendent of Insurance.

Committee Amendment "A" (S-464) replaced the bill. It proposed to amend the provisions governing multiple-employer welfare arrangements to allow an arrangement based on geographic association. Employers with 100 or fewer employees and licensed hospitals located within a 40-mile radius are permitted to form an arrangement to self-fund health insurance coverage with the approval of the Superintendent of Insurance. These arrangements are required to meet the same statutory standards as other multiple-employer welfare arrangements.

The amendment also proposed to change the provision relating to actuarial reports by making the filing of an actuarial report at least once every 2 years mandatory for the first 4 years. After 2 reports have been filed, an arrangement may apply to the superintendent for a waiver from the mandatory filing requirement. The amendment also added a fiscal note to the bill.

Enacted law summary

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Public Law 2001, chapter 570 amends the provisions governing multiple-employer welfare arrangements to allow an arrangement based on geographic association. Employers with 100 or fewer employees and licensed hospitals located within a 40-mile radius are permitted to form an arrangement to self-fund health insurance coverage with the approval of the Superintendent of Insurance. These arrangements are required to meet the same statutory standards as other multiple-employer welfare arrangements.

The law also changes the provision relating to actuarial reports filed by multiple employer welfare arrangements by making the filing of an actuarial report at least once every 2 years mandatory for the first 4 years. After 2 reports have been filed, an arrangement may apply to the superintendent for a waiver from the mandatory filing requirement.

LD 1835

An Act to Amend the Loan Broker Law

PUBLIC 509

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL LAFOUNTAIN	OTP-AM	H-789

LD 1835 proposed to amend the laws governing loan brokers or credit services organizations to apply consumer protections to transactions involving brokers who are paid by lenders or other creditors to arrange credit transactions.

Committee Amendment "A" (H-789) replaced the bill. It proposed to clarify that credit services organization registration requirements do not apply to certain business entities. The amendment would exempt supervised financial organizations and the affiliates, employees or agents of supervised lenders who are not compensated by the consumer. The amendment also would exclude closing agents, telemarketers and automobile dealers that do not accept compensation from the consumer for the provision of credit services. The amendment also proposed to clarify that an employee of a person or entity excluded from the registration requirements is not required to register as a credit services organization unless the employee is being compensated for the services by the consumer.

The amendment also added a fiscal note to the bill.

Enacted law summary

Public Law 2001, chapter 509 amends the laws governing loan brokers, or credit services organizations, to apply consumer protections to transactions involving brokers who are paid by lenders or other creditors to arrange credit transactions.

The law clarifies that credit services organization registration requirements do not apply to certain business entities. These include supervised financial organizations and the affiliates, employees or agents of supervised lenders who are not compensated by the consumer, closing agent, telemarketers or automobile dealers that do not accept compensation from the consumer for the provision of credit services. The law also clarifies that an employee of a person or entity excluded from the registration requirements is not required to register as a credit services organization unless the employee is being compensated for the services by the consumer.

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LD 1880

An Act to Reduce Identity Theft by Regulating Electronically Printed Credit Card and Debit Card Receipts

PUBLIC 527

Sponsor(s)
MITCHELL B
COLWELL

Committee Report
OTP-AM

Amendments Adopted
S-426

LD 1880 proposed to prohibit a person from issuing to a cardholder a credit card receipt that contains more than the last 5 digits of the credit card or contains the expiration date. The bill would not apply if the only means of recording the card number is by handwriting or imprint. LD 1880 proposed to take effect January 1, 2004.

Committee Amendment "A" (S-426) replaced the bill. The amendment proposed to prohibit a person from issuing to a cardholder a credit card or debit card receipt that contains more than the last 5 digits of the credit card or debit card account number or contains the expiration date. The amendment would not apply if the only means of recording the card number is by handwriting or imprint. The amendment allocated the provisions to the Maine Revised Statutes, Title 10 and retained the effective date of January 1, 2004. It also added a fiscal note to the bill.

Enacted law summary

Public Law 2001, chapter 527 prohibits a business or merchant from issuing to a cardholder a credit card or debit card receipt that contains more than the last 5 digits of the credit card or debit card account number or contains the expiration date. The law does not apply if the only means of recording the card number is by handwriting or imprint.

Public Law 2001, chapter 527 has a delayed effective date of January 1, 2004.

LD 1959

An Act to Eliminate Department of Professional and Financial Regulation, Bureau of Insurance Travel Restrictions for Obtaining Health Care

**DIED BETWEEN
BODIES**

Sponsor(s)
MAYO
EDMONDS

Committee Report
OTP-AM MAJ
OTP-AM MAJ

Amendments Adopted

LD 1959 proposed to override current Department of Professional and Financial Regulation, Bureau of Insurance rules that restrict travel distances for obtaining health care by allowing patients enrolled in health maintenance organizations to seek appropriate care in centers of excellence outside of the standard travel area. The bill also would require that the Superintendent of Insurance define "center of excellence" under rule-making authority that already exists under statutes.

Committee Amendment "A" (H-965) is the majority report of the committee and replaced the bill. The amendment proposed to authorize the Superintendent of Insurance to approve a pilot project allowing a carrier to offer a health plan exempt from the statutory and regulatory provisions relating to geographic access standards. Health plans offered under an approved pilot project must comply with all other

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provisions of the Maine Insurance Code. The amendment also proposed to authorize the approval of pilot projects for multistate health insurance products by the superintendent under the same conditions. The provision would be repealed January 1, 2008. The amendment also adds a fiscal note to the bill.

Committee Amendment "A" was adopted in the Senate, but was not adopted in the House.

Committee Amendment "B" (H-966) is the minority report of committee and replaced the bill. The amendment proposed to authorize the Superintendent of Insurance to approve a pilot project allowing a carrier to offer a health plan meeting the exception to the travel distance standards in Bureau of Insurance Rule Chapter 850 if the plan satisfied quality standards and cost indicators adopted by rule by the Superintendent of Insurance. The amendment would limit the distances that enrollees may be required to travel for services to no more than 50% above the current limit for that particular type of service. Health plans offered under an approved pilot project must comply with all other provisions of the Maine Insurance Code. The amendment also proposed to authorize the approval by the superintendent of pilot projects for multistate health insurance products under the same conditions. The provision would be repealed January 1, 2005. The amendment also added an appropriation and an allocation section and a fiscal note to the bill.

Committee Amendment "B" was not adopted.

Senate Amendment "A" to Committee Amendment "A" (S-505) proposed to define the permissible pilot project area as Sagadahoc County and northeast Cumberland County only. Senate Amendment "A" to Committee Amendment "A" was not adopted.

LD 1976

An Act to Modify Investment-related Insurance Company Provisions of the Maine Insurance Code

PUBLIC 524

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
O'NEIL	OTP-AM	H-812 S-439 LAFOUNTAIN

LD 1976 proposed to permit property, casualty and nonlife insurers, upon prior approval of the Superintendent of Insurance, to invest more than 10% of their assets in qualifying indexed mutual funds managed by one investment firm.

Committee Amendment "A" (H-812) replaced the bill. The amendment proposed to permit property and casualty and life and health insurers to invest up to 20% of their assets in qualifying index mutual funds with the prior approval of the Superintendent of Insurance. The amendment also proposed to make technical corrections to the admitted assets and valuation provision to clarify the intent of Public Law 2001, chapter 72. The amendment also added a fiscal note to the bill.

Senate Amendment "A" to Committee Amendment "A" (S-439) proposed to repeal and replace the provision to clarify the permissible criteria used by the Superintendent of Insurance to recognize admitted assets and to value assets and liabilities.

Enacted law summary

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Public Law 2001, chapter 524 permits property and casualty and life and health insurers to invest up to 20% of their assets in qualifying index mutual funds with the prior approval of the Superintendent of Insurance. The law also clarifies the provision outlining the criteria used by the Superintendent of Insurance to recognize admitted assets and to value assets and liabilities of insurance companies.

LD 1999

An Act to Clarify Recent Amendments to the Maine Consumer Credit Code

**PUBLIC 482
EMERGENCY**

Sponsor(s)
O'NEIL

Committee Report
OTP

Amendments Adopted

LD 1999 proposed to clarify that if a deferral of a first period payment is for an excess of 90 days then no interest or costs may accrue in connection with the entirety of that deferral. If a deferral is for 90 days or less, then interest may accrue in connection with such a deferral. This bill would clarify the intent of Public Law 2001, chapter 82, which was enacted in the First Regular Session of the 120th Legislature.

Enacted law summary

Public Law 2001, chapter 482 clarifies the intent of Public Law 2001, chapter 82, which was enacted in the First Regular Session of the 120th Legislature. The law allows interest to accrue in connection with a deferral of a first periodic payment of a loan if the deferral is for 90 days or less. Interest or costs may not accrue in connection with the entirety of a deferral that exceeds 90 days.

Public Law 2001, chapter 482 was enacted as an emergency measure effective February 21, 2002.

LD 2138

Resolve, Regarding Legislative Review of Portions of Chapter 750: Standardized Health Plans, Part II HMO Guidelines, a Major Substantive Rule of the Department of Professional and Financial Regulation

**RESOLVE 118
EMERGENCY**

Sponsor(s)

Committee Report
OTP

Amendments Adopted

LD 2138 proposed to authorize final adoption of portions of Chapter 750: Standardized Health Plans, Part II HMO Guidelines, a major substantive rule of the Department of Professional and Financial Regulation.

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Enacted law summary

Resolve 2001, chapter 118 authorizes final adoption of portions of Chapter 750: Standardized Health Plans, Part II HMO Guidelines, a major substantive rule of the Department of Professional and Financial Regulation.

Resolve 2001, chapter 118 was enacted as an emergency measure effective April 11, 2002.

LD 2146

An Act to Establish the Maine Consumer Choice Health Plan

PUBLIC 708

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
BENNETT	OTP-AM	S-530 S-548 LAFOUNTAIN S-606 GOLDTHWAIT

LD 2146 proposed to establish the Maine Consumer Choice Health Plan as an independent executive agency to negotiate and provide health care coverage to residents of Maine, including individuals and employers.

Committee Amendment "A" (S-530) replaced the bill. It proposed to establish the Maine Consumer Choice Health Plan as an independent executive agency to act as a purchasing alliance open to individuals and small employers. The Maine Consumer Choice Health Plan is governed by a 5-member board of directors appointed by the Governor and confirmed by the Legislature. The Maine Consumer Choice Health Plan is required to contract with participating health insurance carriers to offer at least 3 health benefit plans to enrollees, a fee-for-service plan, a managed care plan and a point-of-service plan. The amendment also added a fiscal note to the bill.

Senate Amendment "A" to Committee Amendment "A" (S-548) proposed to require the Board of Directors of the Maine Consumer Choice Health Plan to report jointly with the Superintendent of Insurance and the joint standing committee of the Legislature having jurisdiction over insurance matters regarding the feasibility of requiring insurance carriers to offer only board-authorized plans.

Senate Amendment "B" to Committee Amendment "A" (S-606) proposed to reduce from \$750,000 to \$700,000 the cap on funds used as a working capital advance for the initial operating expenses of the Maine Consumer Choice Health Plan.

Enacted law summary

Public Law 2001, chapter 708 establishes the Maine Consumer Choice Health Plan as an independent executive agency to act as a voluntary purchasing alliance open to individuals and small employers of 50 or fewer employees. The Maine Consumer Choice Health Plan is governed by a 5-member board of directors appointed by the Governor and confirmed by the Legislature. The Maine Consumer Choice Health Plan is required to contract with participating health insurance carriers to offer at least 3 health benefit plans to enrollees: a fee-for-service plan, a managed care plan and a point-of-service plan.

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Public Law 2001, chapter 708 permits the Board of Directors to establish procedures and adopt rules for different risk pools and a risk adjustment mechanism for the plan. Legislative review and approval is required before final adoption of any rules adopted relating to the establishment of risk pools or a risk adjustment mechanism.

Public Law 2001, chapter 708 also requires the Board of Directors, the Superintendent of Insurance and the joint standing committee of the Legislature having jurisdiction over insurance matters to report to the Legislature regarding the feasibility of requiring all insurance carriers to offer only board-authorized plans by January 1, 2005.

LD 2198

An Act to Provide Maine State Retirement System Representation on the State Employee Health Commission

PUBLIC 636

<u>Sponsor(s)</u>	<u>Committee Report</u>	<u>Amendments Adopted</u>
EDMONDS	OTP-AM	S-516

LD 2198 proposed to add representation from the Maine State Retirement System to the State Employee Health Commission.

Committee Amendment "A" (S-516) replaced the bill and added a labor and a management member representing the Maine State Retirement System to the State Employee Health Commission. The amendment also added a fiscal note to the bill.

Enacted law summary

Public Law 2001, chapter 636 adds a labor and a management member representing the Maine State Retirement System to the State Employee Health Commission.

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